



# ECONOMIC DEVELOPMENT EXECUTIVE SUMMARY

June 2004

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## Economic Development

### Why Somerville?

*Exploring the economic advantages of doing business in Somerville now and in the future.....*



- Location: Proximity to Cambridge and Boston, good regional access
- Access to Interstate 93
- Good public transit connecting to core cities in certain locations
- Industrial core is close to residential areas but separated by barriers which tend to protect neighborhoods
- Near major universities that spin-off new businesses and provide cultural amenities
- Improving image and quality of life with an interesting and attractive mix of communities. This provides for interesting retail and restaurants that are viewed as amenities/attractions by businesses and residents. Somerville possesses a “coolness” factor.
- Distinct neighborhoods with strong residential attributes, each with its own character.
- Less expensive than Cambridge.
- Strong and growing creative cluster, which is a leading indicator for improving communities.
- Strong and diverse workforce population with large range of skills applicable to all levels of the market.
- Strong support from City Hall to expand commercial tax base.
- Redevelopment opportunities: low density and reuse options that can handle higher density

## What is Economic Development?

Economic Development means that a local economy is vitalized. It means that there are more and better job opportunities, a healthier commercial tax base, fewer commercial vacancies and the retention of a wider range of places to eat, shop, bank and be entertained. Continued economic growth in the City of Somerville means all of these things. Somerville’s economic development objectives encompass growth and commercial development for local businesses creating jobs, and compatibility among existing and new uses leading to a higher quality of life for residents.

## Vision for Economic Development

During the initial stages of the CDP, five meetings were held with local citizens to discuss the overall vision for Somerville that would help direct the City through the CDP process. The initial vision that directly pertained to Economic Development were:

- Preserve a diverse mix of local businesses with regional commercial and employment attractors;
- Increase the commercial tax base;
- Be mindful of potential conflicts between commercial and industrial uses and local neighborhoods;
- Require development of public open space as a component of larger commercial projects;
- Provide adequate transportation and parking for new and existing commercial areas;
- Expand economic opportunity and increase access and mobility for low and moderate income families;
- Eliminate economic distress through revitalization;
- Support and improve community districts;
- for disadvantaged populations; and
- Improve the quality of life for Somerville residents.



## Current Economic Profile

The City of Somerville, approximately 4.1 square miles in land area, is located one and a half miles from Boston's financial and commercial districts and 3.5 miles from Logan International Airport. The City borders Cambridge, Boston and the MBTA Red Line connects Davis Square to Harvard and stops beyond. During the past ten years, Somerville has increasingly played an important role in the economic health of the Boston metro area.

In addition to the Davis Square T stop, other transportation amenities in Somerville include easy access to the Orange Subway Line (which connects to the Red Line) State Routes 2, 16, 28 and 38 and Interstate 93. Fifteen different bus lines travel through the city as well.

Somerville is home to many young professionals, students, higher income residents and a large foreign-born population. Accessibility to surrounding areas for people who live in Somerville is key to the local and regional economy. Some important statistics include:

- 84.2% of Somerville's workforce commutes to Boston area cities for work
- There are 1,274 businesses in Somerville
- There are 23,330 of jobs
- 70% of employees in Somerville are not residents of Somerville

With no concrete downtown area, Somerville relies on its network of neighborhood squares to provide the amenities, jobs and luxuries that residents want and need. Davis Square, Union Square, Assembly Square and the multi-neighborhood nodes of Porter Square, Winter Hill, East Somerville/East Broadway all have their own unique offerings and character. The smaller neighborhood nodes of Magoun Square, Ball Square and Teele Square are additional areas that offer local residents laundry facilities, restaurants, banks, mini marts and other retail and services.

Larger commercial and industrial areas also exist in several Somerville locations. The Inner Belt is a manufacturing and warehousing district in the midst of a transition to office and biotechnology uses and Boynton Yards in Somerville's southern area has been redeveloped over the past ten years from a meatpacking and rail yard district into a business park.

Employment for citizens is available in Somerville and other neighboring communities. Nearly 47% of residents commute over thirty minutes to work each day to jobs in the Boston region. This area is seeing trends similar to the Metro North Region in that the service industry is expanding and the manufacturing industry is declining. Major employers in Somerville are:

- Tufts University
- Somerville School systems
- City of Somerville including School System
- Ames Safety Envelope
- Royal Institutional Service
- Home Depot
- MBTA
- Harvard Vanguard
- Cambridge Health Alliance

*\* Note: 5 of 8 of these organizations are public or non-profit.*

The increase in education levels of Somerville residents also corresponds with the growth of the service industry sectors located in Somerville, including health services, business services, educational and computer services, and engineering and management services. This industry was the largest area of employment growth for Somerville in the last decade. Somerville is also home to a substantial and growing number of people in the creative class broadly defined as architects, artists, software engineers and other creative professionals.



Relative incomes have risen substantially for the average Somerville citizen but incomes for those residents below the poverty level increased only marginally. Median household income rose from \$32,455 in 1990 to \$46,315 in 2000. The average weekly wage was \$686.67 before taxes in 2000.

Commercial (50% has occurred in the past two decades) and industrial development has the potential to continue in the coming years with current land availability and zoning regulations. The demand for office space is down, but retail rents are high, particularly in Davis Square.



*Visions for Future Development at Assembly Square  
(Cecil Group/SAS Design)*



## The Future

The future of Somerville is now. Over the past twenty years, the City has made major strides in changing how it is perceived and making it a desirable place to live, work and visit. It is important to keep the following in mind in order to achieve continued success:

- *Focus on more and higher value development to improve the tax base.*
- *Focus on more jobs and jobs appropriate for the workforce, and worker training for new jobs.*
- *Better the quality of life. This both benefits residents and helps to attract additional development.*
- *Preserve diverse socio-economic population, and*
- *Determine and promote image/identity and position within regional economy.*

## The Challenge

There are many challenges to overcome while trying to achieve the priorities mentioned above. Some of the hurdles include:

- *Aesthetic and design issues*
- *Transit needs to be more competitive with other neighboring towns*
- *Parking in commercial areas*
- *Zoning Regulations*
  - Depth of zones and parcels*
  - Development and permitting process*
- *Use regulation and process*
- *Multiple ownership of small parcels*
- *Conflicting uses*
- *Job training*
- *Retail mix and lack of anchors*
- *Anti-development attitudes; and*
- *Varying economic development and real estate development responsibilities among OHCD divisions.*



## Goals & Priorities

The Economic Development portion of the CDP has identified goals and priorities that are more specific to the overall vision for Somerville. The City is large enough to be considered a regional player concerned with regional development issues and positioning, and yet, Somerville is also small enough to still notice the impact of economic development on each individual person, business and property.

The goals and priorities have detailed actions listed in the full Economic Development text of the CDP, and below is an outline of how Somerville may respond to and provide different levels of service for its citizens, commercial districts and businesses. The summary includes all of the priorities.

### **Goal One-Improve overall quality of life for Somerville's residents and enhance the city's fiscal well-being**

*Priority 1* - Increase the City's commercial and industrial tax base.

*Priority 2* - Implement the economic development visions outlined in the CDP and continue to attract and encourage quality developments that enhance the appeal of Somerville

### **Goal Two-Increase job availability to Somerville residents**

*Priority 1* - Make workforce development an economic development priority for the City and improve residents' access to jobs.

*Priority 2* - Match workforce development services to skill levels and needs of residents.

*Priority 3* - Identify new ways of marketing information about workforce development programs to residents.

### **Goal Three-Facilitate achieving economic development goals by implementation of transportation priorities**

*Priority 1* - Continue to work with State to implement existing transportation plans

*Priority 2* - Coordinate economic development decisions that support the goals of the Transportation element of the CDP and vice versa

### **Goal Four-Make Somerville a premier and unique cultural destination in Greater Boston**

*Priority 1* - Capitalize and build on existing arts and cultural assets

*Priority 2* - Identify opportunities to create additional artist live/work spaces

### **Goal Five-Protect Somerville's cultural and economic diversity**

*Priority 1* - Maintain the diverse business representation in the neighborhood commercial districts

*Priority 2* - Expand economic opportunity for low/moderate income citizens

### **Goal Six-Promote good development that implements the vision of the CDP**

*Priority 1* - Eliminate economic distress through revitalization and development

*Priority 2*—Encourage the highest and best use of Somerville's limited underdeveloped land





**Goal Seven-Increase the number of businesses that establish, expand and maintain operations in Somerville**

*Priority 1 - Promote Somerville as a business-friendly community*

*Priority 2 - Provide subsidies, tax breaks, loans or grants to help new businesses establish themselves in Somerville or existing business grow*

*Priority 3 - Attract and retain a variety of businesses providing goods and services in all neighborhoods*

**Goal Eight-Strengthen role and vitality of Neighborhood Business Districts and build the City's regional Commercial Districts**

*Priority 1 - Improve the aesthetics of public places and spaces, existing squares and commercial streets through the use of CDBG monies*

*Priority 2 - Continue Tax Increment Financing (TIF) and CDBG programs to target priority projects or district improvements.*

*Priority 3 - Develop the quality, vitality and mix of businesses in the districts*

*Priority 4 - Promote more intensive development of regional centers where appropriate to promote employment and tax base for Major Industrial/Commercial Centers*

*Priority 5 - Build on existing nodes to create more efficiency in the centers and minimize impact on other areas*

**Goal Nine-Implement and refine the plans for the city's largest industrial areas and retain isolated industrial and office uses in residential areas unless there is potential to convert to a fiscally beneficial residential use**

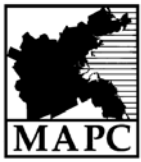
*Priority 1 - Provide funding for hazardous waste removal and other cleanup*

*Priority 2 - Analyze trade-offs between loss and retention of industrial uses*



## Economic Development Action Plan Map





Department  
of  
Economic  
Development



# ECONOMIC DEVELOPMENT ELEMENT

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### *What is Economic Development?*

Economic Development occurs when a local economy is vitalized. Economic development means more and better job opportunities, a healthier commercial tax base, elimination of commercial vacancies, and the creation and retention of a wider range of places to eat, shop, bank, and be entertained.

Somerville's economic development objectives encompass economic growth and commercial development for local businesses creating jobs, and compatibility among existing and new uses leading to a higher quality of life for residents of Somerville. Economic growth is a part of economic and community development. Growth is more focused on the increased quantity or quality of a specific good. Commercial development serves to enhance the positive impact of local enterprises and tries to balance the need for business retention, business expansion, and business attraction. Low- to moderate-income populations tend to benefit from economic and commercial development activities through new job opportunities and the provision of additional goods and services.

GLC Resources, consultants to the City, reviewed the extensive inventory of existing planning documents and economic development programs currently offered by the City. The team also undertook a comprehensive analysis of census and development data about the City, its residents and businesses, and compared the findings to the Boston Metropolitan region.

On June 4, 2003 OHCD hosted a community forum led by GLC Resources for the Economic Development Element of the CDP in the Kennedy School Cafeteria. While only a limited number of people attended the meeting, the comments and input received were thoughtful, directed and have been incorporated throughout the Economic Development Plan.

The consultant team worked with and interviewed key City staff to incorporate their current activities into the Plan and gain insights on

existing programs. The team explored possible redevelopment scenarios of existing buildings and neighborhoods to understand how the City's goals might be implemented in a typical redevelopment situation. Examples of relevant economic development practices were assembled. During the research period, the consultant also prepared a list of challenges and opportunities upon which to focus ideas and research.

### **Organization of the Economic Development Element of the CDP**

The element is organized to address the following:

- *Background information on demographics, economic analysis and the City's current economic profile;*
- *Discussion of relevant economic development issues;*
- *Existing economic development visions;*
- *What have we learned?; and*
- *Economic development goals, priorities, and actions for OHCD*

#### *OHCD's Existing Planning Documents:*

- *Assembly Square: Planning Study, Revitalization Plan, Design Guidelines, Transportation Plan*
- *Somerville Community Path Feasibility Study*
- *Five-Year Consolidated Plan*
- *One-Year Action Plan*
- *North Point-Somerville Planning Study*
- *2002-2006 Open Space Plan & Recreation Plan*
- *Union Square: Revitalization Plan, Master Plan, Transportation Plan*
- *Inner Belt District: Existing Conditions Report*
- *McGrath Highway: Existing Conditions Report*

### **Current Economic Profile**

#### **Somerville Today - Location, Location**

The City of Somerville, approximately 4.1 square miles in land area, is located one and a half miles from Boston's financial and commercial districts and 3.5 miles from Logan International Airport. The City shares its southern border with Cambridge and the MBTA Red Line connects Davis Square to Harvard, Central, and Kendall Squares. These three Cambridge loca-



tions are major economic drivers in the region along with the Financial District, Back Bay, Longwood Medical Area, the Port of Boston, and Logan Airport, all located in Boston. In the past ten years, Somerville has increasingly played an important role in the economic health of the Boston Metropolitan area.

Somerville is well-located and well-served by public transit and regional highway systems. Access to Somerville is available primarily via State Routes 2, 16, 28, and 38, as well as from Interstate 93. The Massachusetts Bay Transportation Authority (MBTA) Red Line stops at the inter-modal station in Davis Square. The MBTA also has T stops at locations adjacent to Somerville at Porter Square (Red Line), Wellington (Orange Line), Sullivan Square (Orange Line), and Lechmere (Green Line). Fifteen different bus lines travel through the city.

Somerville is an attractive residential community for young professionals; diverse, dense, walkable, and has comparatively affordable housing. Somerville is home to many students who appreciate the City's convenient location near numerous educational institutions, including three of the nation's leading institutions of higher learning, Tufts, Harvard, and MIT. Although Somerville may be attracting more educated and higher-income residents, the city still has a large foreign-born population and remains a first stop for new immigrants to the Boston area. This important and entrepreneurial population base adds to the eclectic and diverse nature of the city.

The accessibility to surrounding communities ties Somerville's economic well-being to the general status of the regional economy. In 2000, 84.2% of Somerville's workforce commuted to Boston-area cities and towns for work. Although there are 1,274 businesses in Somerville offering 23,330 jobs, approximately 70% of the employees are not residents of the City. Multiple factors beyond the City's control affect the economic development environment in Somerville: the City's inextricable ties to the regional economy, macro employment conditions in the region, national economic fluctuations, and re-

gional industrial and employment sector trends.

#### *Municipal Fiscal Status*

Somerville's current tax rate (FY 2003) is \$12.46 for residential properties and \$20.60 for commercial properties. The assessed value of all Somerville properties in 2002 was \$4,577,880,000. The tax levy for that year was \$61,269,021.

The breakdown by type of property follows:

#### **Somerville Tax Levy 2002**

	<b>Tax Rate</b>	<b>Tax Levy</b>
Residential	\$13.72	\$41,652,336
Commercial	\$23.42	\$12,569,101
Industrial	\$23.42	\$4,522,088
Personal Property		\$2,525,496
<b>Total</b>		<b>\$34,469,425</b>

The assessed property value per capita in 2002 was \$59,086.19. The tax levy per capita was \$444.89. The assessed value per household was \$145,076.22. The tax levy per household was \$1,092.36.

The City's current fiscal crisis is a direct result of the Nation's recent economic downturn and the sharp reduction in resources made available by the Commonwealth to its towns and municipalities. One of the difficulties Somerville faces in solving its budgetary problems is its limited ability to raise taxes. Proposition 2 1/2 limits the additional annual growth of tax revenue from existing property to two and a half percent. Only new developments are exempt from Prop 2 1/2 and can add to the tax base without requiring an override to the budget. In recent years, the City, like most towns and municipalities throughout the Commonwealth, had a difficult time sustaining tax revenues consistent with inflation and increases in the cost of government services. Over the past ten years, tax revenues have increased by 3.75% per annum, insufficient to keep up with the increase in the cost of municipal services. Further, one third of that annual tax growth has come from new developments. Without this new development, the City would have even greater difficulty pro-



viding revenue to cover its costs. Therefore, identifying ways to raise revenue through the development of, and improvements to, existing properties is critical to increasing the tax base of the city.

#### *Health of the Business Districts*

Somerville is a network of neighborhood squares: a city without a downtown. The physical landscape is composed of regional commercial nodes of concentrated development complemented by a series of smaller squares that contain the unique identities, niches, and services of their surrounding neighborhoods.

Key regional nodes include:

#### *Davis Square*

Davis Square is the city's most vibrant central business district. This commercial center is located in close proximity to nearby Tufts University and has an MBTA Red Line subway station. The combination of this district's location and public transit access created demand for office, retail, restaurant, and entertainment uses. Davis Square has limited retail vacancies. Office vacancy rates have been comparatively high; for example 212 Elm has never been fully tenanted. In addition, Davis Square has become a regional dining and entertainment destination with some of the area's finest restaurants and live entertainment venues. Davis Square includes cinemas, a small live theater, coffee houses, and a rapidly expanding mix of retail uses. Property values and rents in the residential neighborhood surrounding Davis Square increased dramatically, which led to considerable new investment and condominium conversions. OHCD recently completed a study of Davis Square identifying public improvements including pedestrian improvements, new street furniture, paving, and signage.

Davis Square has become a hot bed for the "creative class." Numerous software, architectural, marketing, and design firms located their offices in and around Davis Square, because they are attracted to the environment the square provides; including a pedestrian scale

atmosphere, the Somerville Community Path and Minuteman Commuter Bikeway, as well as the many dining and entertainment options mentioned above.

#### *Union Square*

The intersection of Bow Street, Somerville Avenue and Washington Street forms Union Square, the oldest commercial district in Somerville. This district is made up of an exciting mix of international ethnic markets and restaurants, as well as neighborhood focused services and retail. Union Square is a hub for MBTA bus service, and a potential site for extension of the Green Line MBTA subway beyond Lechmere station, as well as Bus Rapid Transit (BRT) service and Commuter Rail Service as part of the MBTA's Urban Ring proposal. Union Square is centrally located between Central, Inman, and Porter Squares in Cambridge and Sullivan Square in Boston. The City has initiated a revitalization effort for Union Square by funding a major transportation study, sponsoring a series of public workshops, and developing a Master Plan for future development. The Union Square Revitalization effort is designed to review the issues and challenges facing Union Square to help guide revitalization of the square. District specific projects include:

The City recently completed the Union Square Transportation Plan, which includes specific recommendations for transportation improvements to increase pedestrian safety, alleviate congestion, encourage the use of public transportation, and address parking needs.

- *The City has also completed a Master Plan for Union Square. This document will serve as a vision for the development future of Union Square. It identifies the steps to be taken to ensure the economic success and revitalization of the Square. The plan includes an urban design plan, addresses the future of public transportation in the square, and develops a promotional strategy to market Union Square's assets. Tremendous opportunities exist in the square and this document will help coordinate and realize its potential.*
- *In 2002 HUD approved a Neighborhood Revitalization Strategy Area (NRSA) Plan (based in part*



on the work of the Master Plan) that will allow greater flexibility in using Community Development Block Grant (CDBG) funds for economic development projects and affordable housing.

- The Old Bow Street Police Station was constructed in 1874 as one of the first municipal building projects of the newly chartered City of Somerville. The structure is a focal point of Union Square's Bow Street Local Historic District, and is listed on the National Register. The property was recently disposed by the City for reuse as fourteen condominium housing units, including two affordable two-bedroom units. The redevelopment will also restore the structure's historic Mansard roof.
- The redesign of Somerville Avenue is nearing completion. Somerville Avenue, an important thoroughfare for the City of Somerville is set to undergo significant infrastructure improvements and enhancements. The Massachusetts Highway Department (MHD), in collaboration with the City, will reconstruct Somerville Avenue from the Cambridge line at Porter Square all the way to Union Square and is scheduled to receive funding in 2004. This project will include extensive upgrading of underground utilities to eliminate the significant flooding problems in the area, as well as new sidewalks including benches, trash receptacles, street trees, and bicycle parking.
- The old "Kiley Barrel" site at the corner of Prospect and Somerville Avenues is being cleaned and redeveloped as a new municipal parking lot. The site will host a variety of uses besides parking, such as a farmer's market or community marketplace, performance space, art installations, and the like. Such interim use of the site will provide immediate benefits for the vitality of the Square, while preserving future options for the use of this site as a transit hub or other more permanent elements of the redevelopment strategy.

With its significant historic architecture, interconnections to surrounding neighborhoods, and vehicular access to many parts of Somerville, Cambridge, and Boston make Union Square a burgeoning commercial district and an exciting opportunity for growth, improvement and in-

vestment.

#### *Assembly Square*

The Assembly Square district is Somerville's largest commercial and industrial district with the greatest potential for redevelopment. Over the past two years, the City undertook an aggressive planning and redevelopment effort designed to convert this former industrial district to a transit oriented mixed-use "urban village." Assembly Square is directly accessible from Interstate 93 and State Route 28. It is approximately 1.25 miles from downtown Boston and a ten-minute walk from the Orange Line MBTA stations at Sullivan Square and Wellington. The Orange Line and two commuter rail lines pass through the district. Assembly Square also contains waterfront parcels located along the banks of the Mystic River. In 2000, the City completed a planning study of the district that recommended a total build out over 20 years of at least 6 million square feet of commercial and residential uses. Various public improvements are planned, including a new Orange Line MBTA station within the district, roadway improvements, renovations and expansion of a waterfront park, and improvements to pedestrian and bicycle access.

The planning and redevelopment strategy for Assembly Square is to reduce reliance on retail use by encouraging higher density office, R&D, and residential uses. The primary use in Assembly Square recently has been large-scale retail. The City and community have shown a preference for a mixed-use development including office and residential uses centered on a new transit station. The planning study found that large-scale retail could occur in the district if incorporated into the overall vision. Current redevelopment projects include:

- *Redevelopment of the Assembly Square Mall site, which will include a re-tenanted mall with retail stores and a mixed-use New Main Street development.*
- *Development of a waterfront parcel that includes an IKEA furniture store and approximately 200,000 square feet of office uses along the waterfront. The*





development will offer \$2.5 million in community benefits and a 3-acre addition to the waterfront park, as well as privately funded cleanup of a Brownfield site.

- Yard 21 is a 9.1-acre parcel owned by the Somerville Redevelopment Authority. The SRA is currently in negotiations with the owner of two adjacent parcels to create a mixed-use development of over 2 million square feet of office and R&D uses, 860 units of housing, and accessory retail uses. That project will be centered on a new plaza at the location of a new rapid transit station, allowing direct access to downtown Boston.
- Other public initiatives in this district include a recently completed transportation plan, a feasibility study for the new transit station, and unifying design guidelines that will shape the future urban design of the district.

*Multi-neighborhood nodes include:*

#### *Porter Square*

While Somerville's residents benefit from the improvements made to Porter Square, including access to the Red Line station and the reconfiguration of the Porter Square Shopping Center, the commercial district is located almost entirely on the Cambridge side of the square. The city therefore, does not realize any substantial financial gain from the revitalization of Porter Square other than increased residential values. New development in the air rights above the MBTA commuter rail tracks is likely to result in increased tax revenue for the City, but plans for this are still in the preliminary stages.

#### *Winter Hill*

The recent addition of the Cambridge Health Alliance health center is an important factor to the revitalization of upper Broadway. The commercial district is a mixture of several small independently owned restaurants and shops, anchored by a large chain grocery store and two pharmacies. The district serves several surrounding neighborhoods.

#### *East Somerville/East Broadway*

The East Somerville neighborhood is located along Somerville's border adjacent to the City of Boston and is within walking distance to the Sullivan Square Orange Line MBTA station. McGrath Highway and I-93 are also very accessible to the area. The East Somerville area consists of a strong residential neighborhood with a commercial district along East Broadway, one of the city's major thoroughfares. The commercial district consists of a variety of restaurants, specialty stores, and retail storefronts. The City has been working actively with the local Chamber of Commerce Business Interest Group to improve commercial activity in this neighborhood. Recent City revitalization efforts include:

- *Broadway Theatre Re-Use Plans* are underway for the Mudflat Pottery School to redevelop the former Broadway Theatre. Mudflat will use the space for its pottery classes as well as work space for other artists. Mudflat Pottery school has been located in Somerville for over 30 years and in the East Broadway neighborhood for over 15 years.
- In 2001 an urban designer worked with the City and the East Somerville neighborhood to develop a streetscape improvement plan along East Broadway in order to identify physical improvements that could be made to strengthen the "sense of place" along East Broadway and identify the area as a unified commercial district and to improve pedestrian amenities. The preparation of final engineering plans and construction specifications are currently underway. The City estimates that approximately \$2 million will be spent on enhancements, including road and sidewalk repairs and resurfacing, crosswalk improvements, and new street furniture. These planned improvements will truly strengthen and beautify this important commercial district.

*Neighborhood nodes include:*

#### *Magoun Square*

Magoun Square is located at the junction of two major thoroughfares, Broadway and Medford Street along the Somerville/Medford line. This commercial area has a strong network of neighborhood restaurants and services, as well





as several small retail establishments and office buildings. The Square has a centrally located municipal parking lot and is well served by several bus routes. OHCD is in the process of a streetscape redesign (currently listed as a "Supplemental Project" on the State's Transportation Improvement Program), which will enhance and improve the vehicular and pedestrian environment in the square. Recent new investment in the square includes the addition of several new food-oriented businesses and a new pharmacy.

#### *Ball Square*

Another unique Somerville neighborhood district, Ball Square, has many retail stores, cafes, and restaurants. This neighborhood benefits from its proximity to Tufts University. Future plans to expand the Green Line and locate a station in the square are included in a MBTA feasibility study.

#### *Teele Square*

While more residential than Davis, Teele has also become a "hip" destination and has several excellent and diverse restaurants and shops. The square benefits from its walking distance to Davis and proximity to Tufts University.

#### *Commercial and Industrial Areas:*

##### *Inner Belt*

The Inner Belt district is a manufacturing and warehouse district that is in the midst of a significant transition to telecommunication, office, and biotechnology uses. As part of the Central Artery Project (the "Big Dig") a new off-ramp from I-93 north has opened, which has improved automobile access to Inner Belt. To facilitate Inner Belt's transition to telecommunication uses, the City approved significant private infrastructure investment connecting Inner Belt to the fiber optic loop around Boston and Cambridge. Location on this "loop" makes Inner Belt a very competitive location for telecommunications and other high tech users. OHCD has undertaken planning efforts to identify public actions necessary to facilitate transformation of this district to office and biotechnology uses. Today, warehouses, offices, distri-

bution facilities, and light manufacturing are the primary uses for the district. Due to its location near Boston and Cambridge and excellent highway access, Inner Belt should continue to be a strong economic development district the City.

The southern most tip of Inner Belt is also part of the North Point area, which is included in a 48-acre, \$1.2 billion development proposal for a new mixed-use "urban village." The master plan includes the relocation of the Lechmere Green Line station, and the construction of high density, pedestrian-oriented residential, office, and retail development. In the North-Point-Somerville Planning Study completed by OHCD, consultants recommended major infrastructure improvements to the Inner Belt and McGrath Corridor to realize the full potential of the area and leverage the North Point proposal as a catalyst for development.

*The Somerville Redevelopment Authority (SRA), in partnership with OHCD, is responsible for many of the development projects that are currently in their planning or implementation stages. The SRA was founded in 1956 and is comprised of a five-member board appointed by the Mayor and the Governor. The projects undertaken by the SRA range from the Cobble Hill redevelopment, during the 1970s, to the revitalization of Boynton Yards. The Boynton Yards district contained several Brownfield sites, which were tested and redeveloped. The City also acquired 10 different properties, which it sold to developers. Since the development of the Boynton Yards district in the 1990s, 626 new and retained jobs and \$97,513 in net annual tax revenue have been created. The SRA is also taking part in the revitalization of Assembly Square, which includes multiple proposals for mixed-use development. Future development in Assembly Square is expected to create an additional \$2.7 million of annual tax revenue and approximately 1000 jobs. Yard 21 is a mixed-use development in Assembly Square, which is focused on the development of a new MBTA Orange Line transit station.*



Small industrial sites are fundamental to the City's commercial tax base. Pockets of industrial use are not necessarily incompatible with surrounding residential uses. However, once the uses disappear, or are converted to residential use, the City will not be able to revert back to the industrial use. Residential use might bring the same amount of traffic, if not more, though it is likely to be less intensive at peak commuting hours. Re-use does not always mean residential. These buildings often provide the potential for office development, which will maintain the commercial tax rate.

#### Boynton Yards

Boynton Yards is Somerville's most southern industrial area, located just north of the Somerville/Cambridge border. Over the past ten years, the City, working through the Somerville Redevelopment Authority (SRA) and OHCD, has used \$12 million in federal funds to redevelop the Boynton Yards industrial district. The former meatpacking and rail yard district has been transformed into a modern business park with telecommunication, distribution, and office users. Redevelopment efforts include:

- Within the overall 80-acre Boynton Yards Revitalization Area, a 10-acre core area was identified as Phase I, and the focus of a major urban renewal project. Businesses such as RCN, DHL, Verizon, and Members Plus Credit Union located in the area as a result of this revitalization effort. New roadways were constructed to provide modern access to the industrial park. Collectively, these new buildings represent \$4,163,666 in new commercial valuation, and provide \$97,513 in new local tax revenues. More than 500 jobs were created. As a result of the public sector effort to revitalize the 10-acre core area, adjacent properties have been slated for redevelopment through private initiatives.
- The owners of 561 Windsor Street, a former industrial building, are gradually converted to office loft space. Over \$2 million in private funds have been invested, with an estimated \$5.3 million to be spent upon full conversion.
- Union Place, a project totaling 2.1 acres, includes residential, office, retail, artist studios, and structured parking. The first phase of the project, which

includes 40 units of residential space valued at \$1.7 million was recently completed. The second phase of the project, including the construction of a structured parking lot, is underway.

#### Population

During the last thirty years, the City worried that its population was declining and changing. However, today Somerville's population can best be characterized as diverse and stable. From 1960-90, the City's overall population decreased by more than 10,000 people, from 88,779 to 77,478. But during the 1990s, the population stabilized and showed modest signs of growth. Despite the economic boom, Somerville's population increased from 76,210 in 1990 to 77,478 in 2000, growing at the rate of 0.16% per annum. The slight population growth reflects the surge in demand for Somerville housing tempered by limited supply and decrease in average household size. According to Metropolitan Area Planning Commission (MAPC), Somerville's population is only projected to increase at an average rate of 0.4% per annum to reach 85,347 by the year 2025.

The number of Somerville households increased from 30,310 to 31,555 between 1990 and 2000. However, the average household size decreased from 2.4 to 2.38 people per household during the same period. The change could be explained in part by the number of students residing in Somerville, who comprise 15% of Somerville's population. The number of single young professionals who moved to the city might have also contributed to the decrease. The noticeable decline in the median age, 35-years old in 1990 to 31-years old in 2000, for Somerville supports these theories.

Somerville continues to be a diverse city of workers when compared to communities throughout the Greater Boston Area. Between 1990 and 2000, the percentage of immigrants in Somerville increased 5.2%. According to the 2000 Census, 23% of Somerville residents were minorities. Over fifty languages are spoken and more than fifteen religions are practiced in Somerville. The vibrancy and diversity of the



population makes the City unique to its residents and business owners and adds additional flavor to restaurants and retail destinations.

### *Housing*

While the Somerville Community Development Plan includes a housing component, this review of current housing demographics and trends is important because the status of housing economics reflects on the overall economic health of Somerville.

In 2000, there were 32,477 housing units in Somerville with a vacancy rate of 2.8%. Somerville is a city dominated by the renter-occupied housing market. The home-renter to home-owner ratio in Somerville has remained constant over the last ten years. Fewer buildings were converted to condominiums than one would expect considering the housing boom of the late 1990s.

In 2000, 31.6% of Somerville residents were homeowners while 69.4% of residents were renters. The high percentage of renters in Somerville may be explained by the nature of the housing stock (two-thirds of all housing units are contained in 2-3 family homes, where the building is typically held by a single owner and the other units are income units) and the nature of the Somerville population, which is somewhat transient in part due to the high percentage of student and immigrant populations. Also the students, immigrants, and young professionals who live in Somerville may not have the financial wherewithal to purchase a home. These demographic groups are typically more willing to house a greater number of people in a single living unit to lessen rental costs thus in-

creasing the demand for rental housing.

The median cost of owner occupied homes increased \$49,700 between 1990 and 2000, compared to an increase of \$43,500 in Massachusetts over the same period. In 2002, the median cost of a home was \$355,000.

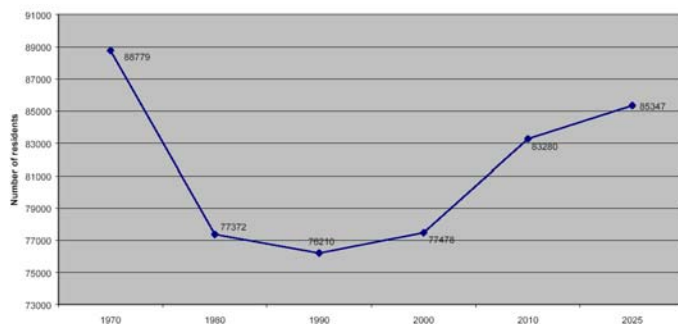
### *Workforce and Employment*

Somerville experienced a period of recession in the 1980s and early 1990s, reaching its highest level of unemployment in 1991 at 7.4%. New development at Davis Square after the extension of the MBTA's Red Line and the high-tech boom of the 1990s contributed to the City's economic recovery. The unemployment rate dropped from 7.4% in 1991 to 3.6% in 2000. Recently unemployment rates have climbed again primarily caused by the national and regional economic recession, rising to 4.8% in August 2003. Somerville is fairing slightly better than the current Boston PMSA unemployment rate of 5.1%.

Like many other communities in the Metro North Region, a high percentage of Somerville residents commute to work. The City's location and connection to neighboring communities give Somerville's residents access to jobs in other cities and towns. In 2000, only 15.8% of Somerville residents actually worked in Somerville; 84.2% worked outside of Somerville. Although the number of jobs in Somerville increased from 20,136 in 1990 to 23,220 in 2000, the percentage of Somerville jobs held by Somerville residents decreased from 44.3% in 1990 to 30% in 2000. These shifts may reflect the number of people commuting into Somerville for work. 47% of Somerville residents commute over 30 minutes to work each day.

Somerville's employment trends generally reflect those of the Metro North Region and Massachusetts as a whole; the service industry expanding at the same time as the manufacturing industry is declining. 4.8% of these manufacturing jobs disappeared between 1990 and 2000.

Today the major employers in Somerville in-





clude Tufts University, Somerville School systems, City of Somerville, Ames Safety Envelope, Royal Institutional Service, Home Depot, MBTA, Harvard Vanguard, and the Cambridge Health Alliance.

The average level of educational attainment for Somerville residents also rose during the last decade. The percentage of residents over 25 years of age with bachelor's degrees jumped approximately 10%. One factor contributing to this trend could be that students who lived in Somerville during their college or graduate school years chose to remain in Somerville after graduation. The number of young professionals who moved to the city in recent years is a population group that tends to hold college and graduate degrees. While there has been an overall improvement in the education attainment levels nationally, Somerville's achievements are augmented by the City's proximity to a great number of institutions of higher education.

The service industry has become a leading employment sector in the Metro North Region. Services accounted for 41% of Somerville employment in 2001 and added 2,700 jobs from 1991 to 2001; the single largest area of employment growth. The increase in education levels of Somerville residents also corresponds with the growth of the service industry sectors located in Somerville, including health services, business services, educational and computer services, and engineering and management services.

Somerville is also home to a substantial and growing number of people in the creative class broadly defined as architects, artists, software engineers, and other creative professionals. Recent national economic development analysis, led by Richard Florida, has focused on the impact this group, combined with more traditional cultural and artistic institutions, contribute to the economy, dubbed the "Creative Economy". The Creative Economy encompasses the external economic impacts of a cultural event. The Creative Economy, "are those activities which have their origin in individual creativity, skill and talent, and which have their potential for wealth and job creation through the generation and exploitation of intellectual property." *Source: Creative Industries Task Force, Creative Industries Mapping Document (Dept. of Culture, Media and Sports 1998.U.K.)*

This group is often comprised of "urban pioneers" in search of affordable housing in unique and diverse neighborhoods. The creative class group also tends to be educated activists interested in a high quality and sustainable environment; they commute by public transit or bike to work, recycle, and buy organic food.

Education and Employment Profile of Somerville Residents		
	1990	2000
% of Residents over 25 yrs with High School Degree	75.2%	80.6%
% of Residents over 25 yrs with Bachelor's Degree	30.9%	40.6%
% of Somerville Jobs Held by Somerville Residents	44.3%	30.0%
% of Employed Somerville Residents Who Work In Somerville	20.8%	15.8%
% of Employed Somerville Residents Who Work Outside Somerville	79.2%	84.2%
% Workers Who Commute Over 30min	31%	47%
Per Capita Income	\$15,179	\$23,628





### Income

OHCD follows the federal guidelines and terminology from HUD to define the City's income levels. However, EO 418, which outlines the requirements of the CDP, requires the following definitions for "affordable housing":

- *Very low income households are those making up to 30% of area-wide median income - \$19,650*
- *Low income households are those making up to 50% of area-wide median income- \$32,750*
- *Moderate income households are those making up to 80% of area-wide median income - \$51,745*
- *Middle income households are those making up to 150% of area-wide median income - \$98,250*

The City of Somerville calculates income levels as a percent of regional median incomes. The CMSA Median Household income is \$52,792.

According to the Housing element of the CDP, the City's low-income household estimates are:

- 4,708 are very low income
- 3,943 are low income
- 4,196 are moderate income
- 13,700 are middle income

Relative incomes have risen substantially for the average Somerville citizen but incomes for those residents below the poverty level increased only marginally. Median household income rose from \$32,455 in 1990 to \$46,315 in 2000. The average weekly wage was \$686.67 before taxes in 2000.

In 1990, 40.2% of Somerville residents could be

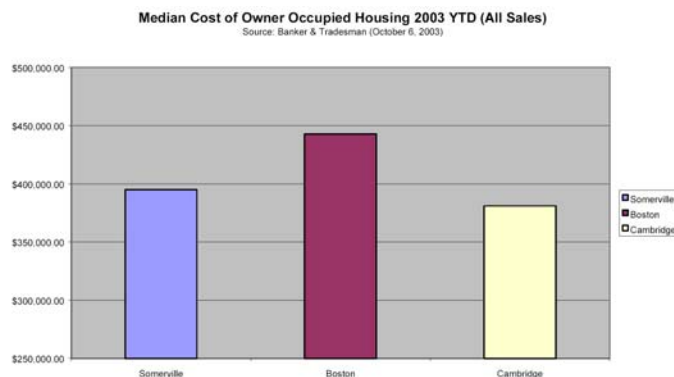
classified as low-income and 26.4% of Somerville residents as moderate-income. In 2000, approximately 25% of Somerville's households were low-income and 24% were moderate-income. The number of low-income residents decreased by approximately 15.3% in part due to the overall improvements in education levels, incomes, employment rates, and the changing demographic makeup of the City. While the number of low-income residents decreased substantially, the number of Somerville residents living below poverty level increased slightly (by 1%) over this 10-year period, from 11.5% in 1990 to 12.5% in 2000.

### Real Estate Industry

Somerville has several locational advantages that should continue to encourage new development in the city. Somerville is located in close proximity to Boston and is well served by the regional highway system. Land in the City is also comparatively cheaper than Cambridge or Boston and still offers several unique large-scale redevelopment opportunities. However, the vast majority of development opportunities in Somerville involve redevelopment or infill projects. With these advantages in mind, it is quite possible that a developer in Somerville may succeed in attracting a single user who requires 100,000 square feet or more of office space, similar to the Amgen or Novartis projects in East Cambridge. The city should be prepared and positioned to recruit and capture such opportunities.

A wide spectrum of commercial development is

Somerville Household Income		
	#	%
\$100,000 or more	977	3%
\$75,000 to \$99,999	1,679	6%
\$50,000 to \$74,999	5,350	18%
\$25,000 to \$49,999	11,174	37%
\$10,000 to \$24,999	6,912	23%
Less than \$10,000	3,867	13%
<b>Total Households</b>	<b>30,319</b>	<b>100%</b>







found in Somerville's business districts. A majority of this development has occurred within the past two decades: 50% in the 1980s and 25% in the 1990s. Over the past ten years, Somerville added 286,000 square feet of office space in large office buildings (buildings greater than 30,000 square feet). However, net absorption was only 78,000 square feet over that period.

Somerville's land availability and zoning regulations allow for 6.3 million square feet of new commercial and industrial development (source: Somerville Linkage Study, p 2). Therefore, the coming years could see a further increase in this type of development, with the greatest potential in the Union Square, Assembly Square, and Inner Belt districts.

No real estate brokerage firm collects comprehensive research on the Somerville real estate market. However, the consultant team spoke with numerous leading real estate brokers and landlords working in Cambridge, Boston, and Somerville to try to gauge current occupancy and rental rates. In general, brokers explained that vacancy rates for office space in Somerville are very high, approximately 20%, and comparable to the vacancy rates of adjacent cities and towns in the Boston North market area. The recent foreclosure of the 192,000-squarefoot office building at 200 Inner Belt Road reflects the current problem. This increase in office vacancies is forcing rents to drop significantly. The regional oversupply of office space is both a cyclical and real problem that is not expected to see relief before 2005.

While the demand for office space may be down, the same cannot be said for retail space. Vacancy rates remain low and rents strong, particularly in Davis Square. With its proximity to the Red Line, Tufts University, and Lesley University and the corresponding heavy flow of pedestrian traffic, Davis Square is more comparable to the Cambridge market with respect to land value and rents achieved, than to any other commercial district in Somerville. On average, rents in Davis Square and Cambridge may run

anywhere from 45%- 80% per square foot higher than the other commercial districts in Somerville.

## What Have We Learned?

*What's special about Somerville?*

- *Location: Proximity to Cambridge and Boston, good regional access.*
- *Access to Route I-93.*
- *Good public transit connecting to core cities in certain locations.*
- *Industrial core is close to residential areas but separated by barriers which tend to protect neighborhoods.*
- *Near major universities that spin-off new businesses and provide cultural amenities.*
- *Improving image and quality of life. Somerville has an interesting and attractive mix of communities: Student / New Ethnic / Old Ethnic. This provides for interesting retail and restaurants that are viewed as amenities/attractions by businesses and residents. Somerville possesses a "coolness" factor.*
- *Distinct neighborhoods with strong residential attributes, each with its own character – cohesive neighborhoods with convenient and walkable, high-quality retail.*
- *Less expensive than Cambridge.*
- *Strong and growing creative cluster, which is a leading indicator for improving communities.*
- *Strong and diverse workforce population with large range of skills applicable to all levels of the market.*
- *Strong support from City Hall to expand commercial tax base.*
- *Redevelopment opportunities: low-density and re-use opportunities that can handle higher density.*

*What are we trying to achieve?*

- *More and higher value development to improve the tax base.*
- *More jobs and jobs appropriate for the workforce, and worker training for new jobs.*
- *Better quality of life: This both benefits residents and helps to attract additional development.*
- *Preserve diverse socio-economic population.*



- Determine and promote image/ identity and position within regional economy.

*What's challenging us from building on all that is special in Somerville and achieving our objectives?*

- Aesthetic issues: disorder, lack of quality materials, streetscape, poor quality building stock, etc.
- Poor transit. Some improvements, but not competitive with neighboring cities and towns.
- Parking in many of the commercial areas.
- Zoning regulations:
  - Depth of zones and parcels.
  - Development process that may not be clearly laid out for developers leading to confusion or inconsistency in the development process.
- Use regulation and process:
  - Appropriate biotech regulations that encourage, attract, and support the biotech industry.
- Multiple ownerships of small parcels.
- Conflicting uses.
- Job training.
- Retail mix and lack of anchors in retail districts.
- Anti-development attitudes in many neighborhoods.
- Varying economic development and real estate development responsibilities among OHCD divisions. The divisions of Transportation and Long Range Planning (TLRP) and the Commercial and Economic Development Division (CED) mostly share these responsibilities. TLRP handles regional centers and CED handles neighborhood commercial centers and ED programs.

*"The City should not invest heavily in manufacturing and industry because those sectors are declining."*

*"It is not about creating jobs in Somerville for Somerville residents, it is about making Somerville residents more fit to live in Somerville."*

*"Somerville residents can easily find jobs elsewhere but they have to have the skills to be able to do so."*

*"We don't want Somerville to represent only one demographic group."*

## Vision Statement

During the months of May and June 2002, OHCD hosted four neighborhood visioning meetings and one final 'Community Fair', in preparation for the CDP. The five community meetings helped to guide the City in the development of a draft Vision Statement that has been used to direct the City through the development of the CDP. The initial vision statement for the Economic Development Element was:

- Preserve a diverse mix of local shops and restaurants with larger regional commercial and employment attractors;
- Increase the City's commercial tax base;
- Improve the aesthetics of existing squares and commercial main streets;
- Be mindful of potential conflicts between commercial and industrial uses and residential neighborhoods;
- Require development of public open space as a component of large commercial projects; and
- Provide adequate transportation and parking for new and existing commercial areas.

The consultant's review of the City's current planning programs demonstrated that the city primarily provides place-based, or land-based, economic development as compared to people-based programs to implement the above stated visions. While not significantly diverging from this planning tradition, the Economic Development Element of the CDP recommends that the City offer additional services or access to programs targeting business owners and residents to address workforce (e.g., job training or placement) and business (e.g., loans or technical assistance) development needs not included in the initial vision statement.

**Place-based planning** creates a set of comprehensive improvements and strategies to encourage new businesses to locate to a specific area. Not only does planning improve the quality of the physical environment, but developers and property owners tend to invest more in their own properties as a response. As a result, tax



revenues increase, more of the spending power of the community is captured, new jobs are created, and the quality of life improves for residents. The economic development benefits trickle down to the community.

**People-based planning** improves the capacity of the individual. Workforce assistance and training programs lead to better jobs for residents which increase their spending power and create greater stability for the community. Instead of trying to recruit existing businesses to relocate, people-based programs seek to breed entrepreneurs locally. These new businesses create jobs, meet unmet commercial needs, and reflect the local character of the community.

OHCD's Commercial and Economic Development Division articulated additional economic development goals in the *Five-Year Consolidated Plan* and help to complete the statement of Somerville's economic development mission:

- To expand economic opportunity for low and moderate-income families;
- To eliminate economic distress through revitalization and development;
- To support and improve community districts;
- To increase access and mobility for disadvantaged populations; and
- To improve the overall quality of life for Somerville residents.

#### **Complimentary economic development visions stated by OHCD**

- Create employment and business opportunities for the citizens of Somerville;
- Create an environment where businesses chose to locate or expand their operations;
- To be a self-reliant city in terms of people, businesses and fiscal well-being;
- High quality development that achieves multiple goals of economic return and net fiscal impact while not impeding the needs of existing neighborhoods;
- Independent niche, representative of the community they serve, and destinations in their own right;
- Sustainable development of City land; and
- Appropriate urban mixed-use and density.

## **Economic Development Goals & Priorities – Turning Visions into Actions**

The economic development goals and priorities add specificity to the City's economic development visions. The action statements include both existing programs and suggest additional planning efforts for OHCD. When compared to its neighbors, the City of Somerville is in an enviable position; large enough to be considered a regional player concerned with regional development issues and positioning, and yet small enough to still notice the impact of economic development on each individual person, business, and property. The goals, priorities, and actions presented respond to this two-fold need and provide different levels of service for its citizens, commercial districts, and businesses.

### **Goals -- Priorities -- Actions**

#### ***1. Improve overall quality of life for Somerville's residents and enhance the city's fiscal well-being.***

**Priority 1**-Increase the City's commercial and industrial tax base.

**Action**-Encourage appropriate development opportunities that add tax revenues beyond that derived from the annual 2 1/2% tax revenue increase allowed under Prop 2 1/2 --such as the reuse of buildings and the redevelopment of land.

**Action**-Recruit commercial and industrial uses that produce significant taxable value per square foot or boost use intensification.

**Priority 2**-Implement the economic development visions outlined in the CDP and continue to attract and encourage quality developments that enhance residents' opinion of and desire to live in Somerville.

**Action**-Require new development to include alternative transportation options, open space, landscaping, quality urban and architectural design, and retail opportunities, where appropriate.



The primary goals of Massachusetts' Economic Development Incentive Program (EDIP) and Somerville's Tax Increment Financing (TIF) program are job creation and growth of the local commercial tax base. The Commonwealth of Massachusetts has enabled certain communities to utilize TIF for key commercial redevelopment projects. Since 1994 Somerville has employed the state's EDIP program on a selective basis to offer TIF and facilitate redevelopment of industrial and commercial properties that are blighted or are located in blighted areas. The City obtained approval for five private sector projects to become Economic Opportunity Areas (EOAs) under the state's Economic Development Incentive Program. This approval enabled the city to utilize TIF and to qualify the businesses located in the EOA for a state Investment Tax Credit. Nationally the TIF program is used for district-based improvements. However, in Massachusetts TIF is used as a tax incentive for developers who invest in economic distressed properties. TIF enables an applicant to make substantial improvements to a building or property without immediately being burdened by increased taxes related to these improvements. The additional local property tax assessment that results from the development investment and project improvements is phased-in over a period of years rather than added at the immediate completion of the project.

## ***2. Increase job availability to Somerville residents.***

**Priority 1-**Make workforce development an economic development priority for the City and improve residents' access to jobs.

**Action-**Promote, recruit, and help facilitate the growth and expansion of local businesses - particularly those that are employment generators.

**Action-**Evaluate existing programs and partnerships to identify gaps in the services provided.

**Action-**Increase workforce development programs offered by the City, and information about and access to existing programs.

**Action-**Recruit qualified non-profit or private organizations operating workforce development programs in nearby communities, to partner with the City and to provide their services in Somerville.

**Action-**Continue to work with the MBTA to augment transit connections to regional employment centers and increase mobility for disadvantaged populations.

**Priority 2-**Match workforce development services to skill levels and needs of residents.

**Action-**Help dislocated workers find new jobs quickly as possible through community partnerships and match available job vacancies with unemployed Somerville residents.

**Action-**Provide access to retraining or re-skilling programs for laid-off workers that are flexible and match dislocated workers with high-demand sectors.

**Action-**Consider programs that address specific needs of immigrant populations - such as language acquisition and training.

**Priority 3-**Identify new ways of marketing information about workforce development programs to residents.

**Action-**Use existing social service programs, such as Food Stamps and medical assistance, to identify low-wage workers and provide them with information on how to advance to jobs with higher wages and benefits.

## ***3. Facilitate achieving economic development goals by implementing transportation planning priorities.***

**Priority 1-**Continue to work with State to implement existing transportation plans (Orange and Green Line expansions and Urban Ring).

**Action-**Connect land-use planning and policy with transportation planning.





According to the New England Council's Creative Economy Initiative, the businesses, not-for-profit organizations, and individual artists that make up New England's creative cluster employ nearly a quarter of a million people, and represent 3.5% of New England's workforce. Employment figures exceed that of the software and communications services, healthcare technology and innovations service, and support an annual pay roll of \$4.3 billion. The New England's Cultural Council report presents a convincing argument that the Creative Economy cluster is an under-appreciated and recognized economic sector. Jobs within the creative cluster are growing at twice the rate of New England's overall economy. The creative economy generates an estimated \$6.6 billion in cultural tourism dollars alone, qualifying it as a major regional export industry.

**Priority 2**-Coordinate economic development decisions that support the goals of the Transportation element of the CDP and vice versa.

**Action**-Continue to promote development that encourages mass transit use.

#### ***4. Make Somerville a premier and unique cultural destination in Greater Boston.***

**Priority 1**-Capitalize and build on existing arts and cultural assets.

**Action**-Continue to promote and market the City's increasing relevance as a center of culture and arts and support the City's creative communities through cultural sponsorship – build on the success of Artbeat, Somerville Open Studios, and Window Art Project.

**Action**-Consider preparing a Cultural and Creative Economy Master Plan.

**Action**-Build partnerships with local and regional universities, colleges, museums, and other cultural and educational institutions.

**Priority 2**-Identify opportunities to create additional artist live/work spaces.

**Action**-Investigate if an arts overlay district would support this priority.

#### ***5. Protect Somerville's cultural and economic diversity.***

**Priority 1**-Maintain the diverse business representation in the neighborhood commercial districts.

**Action**-Continue and expand current program with Employment Resources Inc. to train and provide grants to new small business entrepreneurs, while continuing to support existing entrepreneurial business owners.

**Priority 2**-Expand economic opportunity for low/moderate income citizens.

**Action**-Continue community development activities through CDBG funding that directly benefit low/moderate income populations.

**Priority 3**-Protect and expand availability of affordable housing options.

**Action**-Link economic development expansion with preservation of affordable housing. Ensure that the goals and objectives of the CDP elements are consistent.

The City has formed partnerships with local non-profits to provide low wage earners new employment opportunities. Partnerships are particularly important for increasing people-based planning policies. The City should undertake a comprehensive study of existing organizations that provide employment and entrepreneurial programs and services in Somerville. It would be inefficient for the city to develop and direct every missing workforce development program themselves. Instead, the focus should be on providing access and information about existing programs. Research on existing programs should extend beyond the City's borders to include Cambridge, Boston, and other adjacent communities to fully identify those organizations that might want to expand their services into Somerville.





**6. Promote good development that implements the vision of the CDP.**

**Priority 1**-Eliminate economic distress through revitalization and development.

**Action**-Review the role and relevance of the Somerville Redevelopment Authority and its ability to acquire and redevelop blighted properties.

**Action**-Review criteria for acquiring, demolishing, and redeveloping blighted properties.

**Priority 2**-Encourage the highest and best use of Somerville's limited underdeveloped land.

**Action**-Prioritize types of development and where they should be located.

**Action**-Intensify former commercial and industrial sites with new or additional uses that provide more jobs and/or tax revenue per square foot.

**Action**-Prepare and implement existing plans for upgrading of industrial and commercial areas.

**Action**-Consider rezoning in commercial, residential and industrial areas, where appropriate to allow for a mix of uses.

*Webster Avenue Advisory Council (WAAC) is a community-based group focused on economic development. The group is a mixture of area businesspersons, area residents, citywide businesspersons, citywide residents, and elected officials. The purpose of WAAC is to discuss proposed development projects for the district that encompasses Webster Avenue, Columbia Street, Prospect Street, and Windsor Place. WAAC assists the city to develop a planning strategy for this area so that future development projects will be compatible with existing patterns of business and residential development. Recent major projects that WAAC participated in include Union Place and the redevelopment of 561 Windsor Street.*

**7. Increase the number of businesses that establish, expand and maintain operations in Somerville.**

**Priority 1**-Promote Somerville as a business-friendly community.

**Action**-Increase the City's business image through advertising and promotion.

**Action**-Expand on the successful publication of the inventory of vacant properties to help companies that need new space find it in Somerville.

**Action**-Explore developing a formal relationship with a brokerage firm that establishes itself as a market-maker in Somerville to market vacant properties or underdeveloped sites.

**Priority 2**-Provide subsidies, tax breaks, loans or grants to help new businesses establish themselves in Somerville or existing businesses grow.

**Action**-Continue and expand the Somerville Economic Development Partnership Loan Program.

**Action**-Package business assistance and services for new or expanding small- or micro-businesses.

**Priority 3**-Attract and retain a variety of businesses providing goods and services in all neighborhoods.

**Action**-Regularly survey all commercial districts to identify struggling businesses before they are forced to close and support or provide marketing services for smaller business districts.

**Priority 3**-Identify reasons why businesses have left Somerville and work to remedy the problems.

**Action**-Conduct survey of existing and former Somerville companies and use pre-feasibility studies to analyze the viability of distressed businesses.



The Somerville Local Development Corporation (SLDC) was formed approximately twenty years ago to serve as an advisory board for the Somerville Economic Development Partnership (SEDP) small business loan program and more recently for the Brownfields Cleanup Revolving Loan Fund program. While the SLDC has been dormant in recent years, the city recently renewed its commitment to SLDC and is working to rebuild the Board to include members who collectively have the expertise necessary to carry out its mission. The Board will be comprised of local businesspersons who provide technical guidance to the Office of Housing and Community Development (OHCD) during loan review and approval. The city plans to change the structure and/or priorities of these programs where needed to become effective and relevant. Possible changes include providing loan co-signer services, bridge financing, and requiring businesses to remain in Somerville through the duration of the loan. When fully operational, SLDC will also promote Somerville's business assistance programs to the local business community.

The Somerville Economic Development Partnership is an economic development loan program that provides small business loans to Somerville's growing enterprises. Originally launched more than two decades ago, the SEDP provides flexible financing using federal funds for local businesses for acquisition, renovation, and expansion. The SEDP focuses on the growth of local businesses that benefit the community by fostering increased employment opportunities for the citizens of Somerville. The direct loan program provides loans up to \$50,000 where no commercial lender is involved. The participating loan program offers loans up to \$100,000 where a commercial lender is jointly involved in the project and the SEDP loan is in a subordinate position. Generally, the SEDP is intended to serve as the "lender of last resort" for Somerville's businesses that are unsuccessful attempts to obtain conventional, commercial financing

## ***8. Strengthen role and vitality of Neighborhood Business Districts and build the City's regional Commercial Districts.***

**Priority 1**-Improve the aesthetics of public places and spaces, existing squares and commercial main streets through the use of Community Development Block Grant (CDBG) monies.

**Action**-Fund transportation and parking improvements.

**Action**-Invest in infrastructure improvements for the City's gateways to create visual impact and appeal. Include memorable physical features and directional signage that connect City's squares and demarcate where Somerville begins and ends. Continue to support streetscape projects that include amenities such as improved lighting, tree plantings, benches, trash receptacles, public plazas, and open space.

**Priority 2**-Continue Tax Increment Financing (TIF) and CDBG programs to target priority projects or district improvements.

**Action**-Determine where TIF and CDBG could be used together more effectively.

The Business Improvement District (BID) tool has not been implemented in any of the City's large commercial districts. Achieving the required 50% participation is a challenge. A BID is a downtown management strategy and financing tool that allows commercial districts to develop, fund, and administer programs and services targeted solely within a district. The municipality collects additional funds from participating businesses and property owners and then directs those dollars to enhance or provide additional services that the city otherwise would not or could not provide, such as professional management of retail and commercial services, maintenance and security services, business recruitment, and promotional and marketing services.



**Action**-Research the feasibility of using Business Improvement District (BID's) for the larger squares.

**Action**-Continue to use urban design initiatives as catalysts for infrastructure improvement.

**Action**-Investigate use of the Commonwealth's proposed DIF legislation. Consider a DIF pilot program in an appropriate business district such as Assembly, Union Square or Inner Belt.

**Priority 3**-Develop the quality, vitality and mix of businesses in the districts.

**Action**-Develop additional policies to augment access and usage of the Storefront Improvement Program (SIP), e.g. language services, marketing, bundling SIP with other services.

**Action**-Facilitate the creation of additional community-based economic development organizations to manage neighborhood districts, if appropriate.

**Priority 4**-Promote more intensive development of regional centers where appropriate to promote employment and tax base for Major Industrial /Commercial Centers.

**Action**-Improve infrastructure and access and rezone where necessary to facilitate and allow preferred development.

**Action**-Determine if the immediate neighborhoods along regional arterials such as Washington Street, Beacon Street, and Somerville Avenue require rezoning to facilitate their redevelopment for additional retail/office/residential uses.

**Priority 5**-Build on existing nodes to create more efficiency in the centers and minimize impact on other areas.

**Action**-Create tools and criteria for rezoning transition areas.

**Action**-Continue investments in Union Square

and East Somerville to evolve their positions as gateways to the City.

*9. Implement and refine the plans for the city's large industrial areas and retain isolated industrial and office uses located in residential areas unless there is potential to convert to a fiscally beneficial residential use.*

**Priority 1**-Provide funding for hazardous waste removal and other clean up.

**Action**-Continue the Brownfields Economic Development Initiative, Brownfields Cleanup Revolving Loan Fund (BCRLF) and the Brownfields Economic Development Program (BEDP) to facilitate reuse of former industrial sites.

**Action**-Utilize funding and organizational capacity of Groundwork Somerville and increase the program eligibility.

**Priority 2**-Analyze trade-offs between loss and retention of industrial uses.

**Action**-Where appropriate, identify re-use options that are responsive to the surrounding community and more compatible with the neighborhood.

**Action**-Identify more appropriate relocation sites for industrial uses.

